



MAY 2003

**MODIFICATION REPORT**  
**MODIFICATION PROPOSAL P116 -**  
**Changes to Allow Line Loss Factor Data**  
**from BSC Website to be Used in**  
**Settlement**

**Prepared by ELEXON on behalf of the Balancing  
and Settlement Code Panel**

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### b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
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### c References

Ref.	Document	Owner	Issue Date	Version
1.	Assessment Report for Modification Proposal P116	ELEXON	10/04/03	1.0
2.	Initial Written Assessment for P116	ELEXON	16/01/03	1.0

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Modification Procedure, and the resultant findings of this report, the Balancing and Settlement Code Panel recommends that:

**Proposed Modification P116 should be made; and**

**The Implementation Date should be:**

- **27 November 2003 if an Authority Decision is received by 10 July 2003; and**
- **26 February 2004 if an Authority Decision is received after 10 July 2003 but before 11 September 2003.**

### 1.2 Background

Modification Proposal P116 'Changes to Allow Line Loss Factor Data from BSC Website to be Used in Settlement' (P116) was submitted on 6 January 2003 by East Midlands Electricity Distribution plc. P116 seeks to amend provisions in Section S of the Balancing and Settlement Code (the Code) concerning how Half Hourly Data Aggregators (HHDA) obtain the Line Loss Factor (LLF) data to be used in Settlement. Currently, the Code requires HHDA to use LLF data provided directly by the Public Distribution System Operators<sup>1</sup> (PDSO). LLF data is currently sent by PDSOs via the Line Loss Factor Data File (the D0265 data flow over the Data Transfer Network or a D0265 file sent by e-mail), as well as being reported on the BSC Website. P116 seeks:

- (i) to allow LLF data from the BSC Website to be used in Settlement; and
- (ii) to remove the obligation on PDSOs to send LLF data individually to the relevant BSC Parties and Party Agents.

The Initial Written Assessment for P116 was presented to the Panel meeting on 16 January 2003. The Panel determined that P116 should be submitted to a 3-month Assessment Procedure by the Volume Allocation Standing Modifications Group (VASMG). The Assessment Report for Modification Proposal P116 (Reference 1) was presented to the Panel meeting on 10 April 2003. The Panel agreed that the Proposed Modification should be made and submitted P116 to the Report Phase in accordance with Section F2.7 of the Code.

### 1.3 Rationale for Recommendations

P116 was assessed against BSC Objectives (c) and (d) as set out in paragraph 3 of Condition C3 of the Transmission Licence:

- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity; and
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

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<sup>1</sup> It should be noted that Modification Proposal P62 has been approved by the Authority. As a result, the new term 'Licensed Distribution System Operator' (LDSO) will replace 'Public Distribution System Operator' (PDSO) after 1 August 2003 for all purposes relevant to P116.

A detailed account of the Panel's considerations can be found in Section 5 of this Report.

In summary, the Panel noted that P116 would provide a centralised facility for the dissemination of LLF data which is used in Settlement. The Panel also determined that P116 would improve the integrity of Settlement by eliminating a potential source of error. As a result, the Panel agreed with the VASMG view that Modification Proposal P116 would better facilitate Applicable BSC Objective (d). The Panel also noted that the VASMG had found it difficult to assess P116 against Applicable BSC Objective (c) due to the general lack of cost-benefit estimates from industry participants.

A draft Modification Report for P116 was issued for consultation on 17 April 2003 with responses due on 28 April 2003. *The Panel noted that the respondents unanimously supported the Panel's recommendation that the Proposed Modification should be made. [to be completed following Panel discussion]*

## 2 INTRODUCTION

This Report has been prepared by ELEXON Ltd., on behalf of the Panel, in accordance with the terms of the Code. The Code is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the Code.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC Website, at [www.elexon.co.uk](http://www.elexon.co.uk).

## 3 HISTORY OF PROPOSED MODIFICATION

Modification Proposal P116 'Changes to Allow Line Loss Factor Data from BSC Website to be Used in Settlement' (P116) was submitted on 6 January 2003 by East Midlands Electricity Distribution plc. P116 seeks to amend provisions in Section S of the Code concerning how HHDA's obtain the LLF data to be used in Settlement.

The Initial Assessment for P116 was presented at the Panel meeting on 16 January 2003. The Panel determined that P116 should be submitted to a 3-month Assessment Procedure by the VASMG. The VASMG met three times (on 29 January, 20 February and 18 March 2003) to consider P116. The Assessment Procedure included an impact assessment and consultation. As a result, the VASMG recommended that P116 should be made and implemented on 27 November 2003 if an Authority Decision is received by 10 July 2003 and 26 February 2004 if an Authority Decision is received after 10 July 2003 but before 11 September 2003.

The Assessment Report for Modification Proposal P116 (Reference 1) was presented to the Panel meeting on 10 April 2003. The Panel endorsed the recommendations of the VASMG and agreed that the Proposed Modification should be made and submitted to the Report Phase in accordance with Section F2.7 of the Code.

A draft Modification Report for P116 was issued for consultation on 17 April 2003. Seven responses (37 Parties and 1 non-Party) were received. All of the respondents supported the Panel's recommendation that the Proposed Modification should be made. These responses are summarised in Section 9 of this report. *[to be completed following Panel discussion.]*

## 4 DESCRIPTION OF THE MODIFICATION

P116 seeks to amend provisions in Section S of the Code concerning how HHDAs obtain LLF data to be used in Settlement. Currently, the Code requires HHDAs to use LLF data provided directly by PDSOs. LLF data is currently sent by the PDSOs via the Line Loss Factor Data File (the D0265 data flow over the Data Transfer Network or a D0265 file sent by e-mail), as well as being reported on the BSC Website. P116 seeks:

- (i) to allow LLF data from the BSC Website to be used in Settlement; and
- (ii) to remove the obligation on PDSOs to send LLF data individually to the relevant BSC Parties and Party Agents.

The Proposer stated that P116 was raised to give full effect to the intent behind Alternative Modification P30 - "Availability Of Market Information To BSC Parties And Non-BSC Parties", which was implemented on 27 March 2002. As a result of P30, LLF data is currently being reported on the BSC Website.

The Proposer believed that:

- (i) P116 would remove an unnecessary constraint on the business processes operated by the HHDAs, and would thereby promote efficiency and competition in the supply of electricity.
- (ii) P116 would remove the need for relevant Parties, Party Agents and BSC Agents to process an unnecessary data flow and would thus remove a barrier to market entry.
- (iii) P116 would reduce unnecessary costs incurred by PDSOs and would thereby reduce Distribution Use of System (DUoS) charges. The Proposer felt this issue to be material especially in the case of newly licensed distributors.
- (iv) P116 would improve the efficiency of systems used for the purposes of Settlement and also increase the accuracy of LLF data used in Settlement by removing risks associated with individualised data flows.

## 5 RATIONALE FOR PANEL RECOMMENDATIONS

### 5.1 Cost-Benefit Analysis

The Panel noted that the VASMG had conducted an Impact Assessment and requested information that would allow the costs and benefits of P116 to be quantified. The Panel also noted that many BSC Parties and Party Agents had found it difficult to quantify the costs and benefits involved. For example, a respondent suggested that there would be a one-off cost but was unable to quantify it. Another response stated that the cost would not be major but would be in the "thousands". One BSC Party quoted an estimate of £5,000 for the one-off cost. On the other hand, some PDSOs reported a possible cost saving of between £1,500 to £12,000 per year per PDSO. Other PDSOs found it difficult to quantify the effect of P116 but supported the Proposed Modification on the grounds that their processes would become more efficient and manageable.

The Panel noted that the VASMG had found it difficult to conduct a cost-benefit analysis due to the general lack of cost-benefit estimates from the industry. However, for the reasons set out in Section 5.2 below, the Panel agreed with the VASMG that the Proposed Modification should be made.

## 5.2 Applicable BSC Objectives

P116 was assessed against BSC Objectives (c) and (d) as set out in paragraph 3 of Condition C3 of the Transmission Licence:

- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity; and
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

The Panel noted that P116 would provide a centralised facility for the dissemination of LLF data which is used in Settlement. The Panel also determined that P116 would improve the integrity of Settlement by eliminating a potential source of error. The Panel agreed that P116 would reduce risks to BSCCo and eliminate potential BSCCo costs which could otherwise be incurred as a result of avoidable error<sup>2</sup>. In conclusion, the Panel unanimously agreed with the VASMG view that Modification Proposal P116 would better facilitate Applicable BSC Objective (d).

The Panel then noted that a minority of VASMG members believed that P116 would remove a barrier to market entry by simplifying the systems and processes through which a new Supplier or HHDA would obtain LLF data. It was also noted that a number of VASMG members, including the Proposer, felt that P116 would better facilitate the achievement of BSC Objective (c) on the basis that any cost savings to PDSOs would be passed on to Suppliers in a competitive environment and that all industry participants would benefit from simplifying and centralising the dissemination of LLF data. Other VASMG members were not convinced that such savings would be passed on.

The Panel also noted that the VASMG had found it difficult to assess P116 against Applicable BSC Objective (c) due to the general lack of cost-benefit estimates from industry participants. The Panel was also asked to note that whilst P116 might promote competition in the distribution of electricity, Applicable BSC Objective (c) did not explicitly encompass competition in distribution. The Panel noted the majority view of the VASMG that P116 could not be said to have an unequivocal impact on the better achievement of Applicable BSC Objective (c).

A draft Modification Report for P116 was issued for consultation on 17 April 2003 with responses due on 28 April 2003. *The Panel noted that the respondents unanimously supported the Panel's recommendation that the Proposed Modification should be made. [to be completed following Panel discussion]*

## 6 LEGAL TEXT TO GIVE EFFECT TO THE MODIFICATION

Draft legal text is included as Annex 3.

It should be noted that the legal drafting included with this report is drafted against the version of the Code current on the date of the Panel meeting (10 April 2003). The legal drafting was checked against all Modifications that had been approved by the Authority on the date of the Panel meeting, including those that have not yet been implemented. If the baseline of the Code changes prior to implementation of P116, or if other Modification Proposals are to be implemented at the same time as P116, the legal text may need to be amended.

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<sup>2</sup> The Proposer suggested that the current need to create and process a large number of LLF files could result in errors and lead to disputes being raised. P116 seeks to simplify the process of disseminating LLF data.

## 7 ASSESSMENT

The Assessment Procedure for P116 is described in detail by the Assessment Report for P116 (Reference 1).

### 7.1 Process Followed

The VASMG met three times (on 29 January, 20 February and 18 March 2003) to consider P116. During the first VASMG meeting on 29 January 2003, ELEXON circulated a Briefing Note which had been presented to the Panel on 14 March 2002, seeking to clarify the scope of Applicable BSC Objectives (c) and (d). The Briefing Note suggested that it is appropriate for the Panel to interpret BSC Objective (d) in a narrow sense, i.e., as being concerned with costs and risks incurred by ELEXON and BSC Agents. The Briefing Note also suggested that it is appropriate for the Panel to interpret BSC Objective (c) in a wider sense, so as to consider the effects of costs and benefits to different industry participants. The Briefing Note explicitly stated that the Panel could consider whether or not reduced costs for PDSOs might end up promoting competition in generation, supply, sale or purchase of electricity whilst also recognising that this is not a straight-forward issue.

### 7.2 Implementation Options Identified

The Modification Group noted the existence of three different file formats in which LLF data is processed by different BSC Parties and Party Agents, namely:

1. The SVA Pool File Transfer Format, which is used by certain SVAA Applications and is currently published on the BSC Website.
2. The Pool File Transfer Format, which is distinct from the SVA Pool File Transfer Format.
3. The User File Format.

Based on this information, the Modification Group determined three implementation options and issued an Impact Assessment to determine the costs and benefits to the industry of implementing P116. These three implementation options are summarised in the following table:

Implementa- tion Option	Description
1	Publish LLF data on the BSC Website in the SVA Pool File Transfer Format only. Discontinue sending the D0265 data flow over the DTN.
2	Publish LLF data on the BSC Website in all relevant file formats. Discontinue sending the D0265 data flow over the DTN.
3	Publish LLF data on the BSC Website in the SVA Pool File Transfer Format only. Discontinue the D0265 data flow to those Parties, Party Agents and BSC Agents who can utilise the SVA Pool File Transfer Format available on the BSC Website. But continue sending the D0265 data flow (on request) to Parties or Party Agents who cannot process the SVA Pool File Transfer Format

The Impact Assessment required BSC Parties, Party Agents, BSC Agents and other impacted industry participants to estimate the costs, benefits, risks and implementation time-scales (separately for each implementation option) in terms of their own systems and processes. The results of the impact assessment indicated that many BSC Parties and Party Agents found it difficult to quantify the costs and benefits involved. For example, a respondent suggested that there would be a one-off cost but was unable to quantify it. Another response stated that the cost would not be major but would be in the “thousands”. One BSC Party quoted an estimate of £5,000 for the one-off cost. On the other hand, some PDSOs reported a possible cost saving of between £1,500 to £12,000 per year per PDSO. However, these cost savings included DTN costs as well as process costs. Other PDSOs found it difficult to quantify the effect of P116 but supported the Proposed Modification on the grounds that their processes would become more efficient and manageable.

### **7.3 Assessment of the Implementation Options**

The Modification Group considered the three implementation options identified above. Despite its inherent simplicity, Option 1 was felt to involve higher costs for a number of Suppliers and Party Agents. A number of VASMG members suggested that while they actually supported Option 3, they would strongly prefer Option 2 over Option 1, if Option 3 was not chosen. As a result, Option 1 was rejected at the final VASMG meeting.

A number of VASMG members supported Option 3 because they felt it would be unwise to impose what is potentially a significant change on existing HHDA at a time when there is increasing competition and when HHDA are already grappling with other issues. These VASMG members also expressed concern that some Suppliers and Supplier Agents did not want to incur costs and risks with little corresponding benefit to their own business. It was argued that Option 3 should be chosen in order to minimise the risks and costs to some HHDA and Suppliers. However, Option 3 was rejected by the majority of the VASMG on the grounds that it was too complex for PDSOs and did not fully realise the benefits envisioned by P116. It was also felt that Option 3 would not realise the intent of P116 with regard to the removal of the obligation on PDSOs to send LLF data individually to the relevant BSC Parties and Party Agents.

The Modification Group therefore decided that P116 should be implemented via Option 2, which was seen as a compromise between the requirements for flexibility, standardisation, centralisation and low impact on participants. It was also noted that Option 2 delivers all of the functionality of Option 1, and that Parties who favoured Option 1 would not be impacted if Option 2 were implemented. The costs associated with the preferred implementation option are summarised in Section 8 of this report. It should be noted that SVA Agent (SVAA) systems and processes would not be impacted.

### **7.4 VASMG Assessment against the Applicable BSC Objectives**

The VASMG conducted an Assessment Procedure consultation among industry participants on whether or not P116 would better facilitate the Applicable BSC Objectives. Nine respondents (representing 41 BSC Parties) supported the Proposed Modification whilst three respondents (representing 10 BSC Parties and 1 non-BSC Party) did not support P116.

As a result, a number of VASMG members emphasised that it would be difficult to conduct a realistic cost-benefit analysis for the whole industry in order to quantify the impact of P116. It was felt that any benefits resulting from P116 would be mainly related to the (un-quantified) efficiency and convenience of having a centralised process for the publication of LLF data rather than on specific cost savings to PDSOs or the cost of a one-off systems change by some BSC Parties and Party Agents.

In light of the analysis undertaken, the VASMG considered whether or not P116 would better facilitate BSC Objectives (c) and (d) as set out in paragraph 3 of Condition C3 of the Transmission Licence:

- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity; and
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

The VASMG noted that whilst P116 might promote competition in the distribution of electricity, Applicable BSC Objective (c) did not explicitly encompass competition in distribution. It was determined that this fact should be noted in the Assessment Report for the consideration of the Panel.

A number of VASMG members, including the Proposer, felt that P116 would better facilitate the achievement of BSC Objective (c) on the basis that any cost savings to PDSOs would be passed on to Suppliers in a competitive environment. It was also argued that all industry participants would benefit from simplifying and centralising the dissemination of LLF data. These VASMG members also believed that P116 would remove a barrier to market entry by simplifying the systems and processes that would be needed by new BSC Parties and Party Agents.

However, some Modification Group members doubted whether any cost savings accruing to PDSOs as a result of P116 would actually be passed on to Suppliers and ultimately to their customers. These members also doubted whether the long term benefits to HHDA's and Suppliers were sufficient to justify the one-off costs. As a result, the majority of the Modification Group felt that the effect of P116 on facilitating competition in generation, supply, sale and purchase of electricity would be difficult to agree on. The VASMG decided by a majority that P116 could not be said to have an unequivocal impact on the better achievement of BSC Objective (c), whilst a minority still believed that Objective (c) would be better facilitated by P116.

The Modification Group also decided (majority) that P116 would better facilitate BSC Objective (d) by providing a centralised facility for the dissemination of LLF data. It was also believed that P116 would improve the integrity of Settlement by eliminating a potential source of error. The VASMG agreed that P116 would reduce risks to BSCCo and eliminate potential BSCCo costs, which could otherwise be incurred as a result of avoidable error and disputes.

In conclusion, the VASMG decided (majority) that P116 should be justified on the basis of BSC Objective (d), as it was not possible to agree that P116 would have a major impact on the better achievement of BSC Objective (c). The VASMG agreed to recommend that P116 should be made and implemented on 27 November 2003 if an Authority Decision is received by 10 July 2003 and 26 February 2004 if an Authority Decision is received after 10 July 2003 but before 11 September 2003. The Implementation Date was chosen so as to ensure that P116 would be in place for the annual publication of LLF data for the 2004-2005 BSC Year.

## **7.5 Assessment of Other Issues**

To address concerns raised by the VASMG about the impact of P116 on the audit trail (e.g. the use of correct LLF files), the Modification Group also sought the BSC Auditor's view on P116. The BSC Auditor indicated that they had no major concerns, as the Audit was based on the actual data used and not on the flow of D0265 files.

The VASMG also noted that P116 would place an obligation on ELEXON to be the authorised source of LLF data for the industry. As a result, ELEXON Service Delivery would need to validate and disseminate LLF data in all three file formats. Currently, the obligation is on PDSOs to provide LLF data to all

relevant Parties and Party Agents in the appropriate file format. ELEXON's current obligation is to *display* LLF data on the BSC Website in the SVA Pool File Transfer Format only. However, it should also be noted that ELEXON is currently involved in the process by which the Supplier Volume Allocation Group (SVG) approve LLF data on behalf of the BSC Panel (including validation of the files submitted), before such data can be used in Settlement. P116 does not seek to alter this procedure.

The Impact Assessment and consultation phase of the Assessment Procedure also highlighted several issues regarding the size of LLF data files (once unzipped) and the formatting of summarised LLF files. The Modification Group agreed that these issues fall outside the scope of the Assessment Procedure for P116 and should be addressed outside of the Modifications Process.

The impact of P116 on various industry participants is detailed in the Assessment Report for P116 (Reference 1).

## 8 COSTS

The costs associated with P116 are summarised in the following table:

<b>BSCCo costs</b>	15 man days of software development and minor administrative costs.
<b>BSC Agent costs</b>	None.
<b>Other Industry Costs</b>	<p>The results of the impact assessment indicated that many BSC Parties and Party Agents found it difficult to quantify the costs and benefits involved.</p> <p>For example, a respondent suggested that there would be a one-off cost but was unable to quantify it. Another response stated that the cost would not be major but would be in the "thousands". One BSC Party quoted an estimate of £5,000 for the one-off cost. On the other hand, some PDSOs reported a possible cost saving of between £1,500 to £12,000 per year per PDSO. Other PDSOs found it difficult to quantify the effect of P116 but supported the Proposed Modification on the grounds that their processes would become more efficient and manageable.</p>

## 9 SUMMARY OF REPRESENTATIONS

The draft Modification Report was issued for consultation on 17 April 2003 with responses due back on 28 April 2003. 7 responses (representing 37 Parties and 1 non-Party) were received. All of the respondents supported the Panel's recommendation that the Proposed Modification should be made.

The views expressed in the responses are summarised below:

Respondent	No. BSC Parties Represented	No. non BSC Parties Represented	Agree with Recommendations (Approve)	Agree with Legal Drafting	Agree with Implementation Date
IMServ	0	1	✓	✓	✓
YEDL/NEDL	2	0	✓	✓	✓
Scottish Power	6	0	✓	?	✓
Aquila Networks	1	0	✓	✓	✓
Scottish and Southern	4	0	✓	N/C	✓
Powergen	15	0	✓	✓	✓
NPower	9	0	✓	?	*
<b>TOTAL (7)</b>	<b>37</b>	<b>1</b>	<b>7(37+1)</b>	<b>4(18+1)</b>	<b>6(28)</b>

Note: N/C = No comment, ? = These respondents agree with the legal text but suggest a slight alternative where more technical details are incorporated in the BSC. \* = This respondent suggested that P116 should be implemented on 26 February 2004.

Annex 1 of this Modification Report contains a summary of the responses and copies of the actual responses received. A summary of the arguments raised in the responses is given below in sections 9.1 and 9.2.

## 9.1 Arguments Supporting the Panel Recommendations

The consultation responses did not contain any new arguments. The following arguments were reiterated by the consultation respondents in support of the Panel recommendation that the Proposed Modification be made:

- P116 would result in cost saving to a number of Parties;
- P116 would better facilitate Applicable BSC Objective (d) because it would be more efficient to disseminate LLF data from a single source; and
- P116 would improve the accuracy of LLF data used by Parties. If P116 were implemented, each PDSO would generate a single file which would then be validated and made available centrally by ELEXON.

## 9.2 Other Issues Raised

None of the issues raised during the consultation were new. The following issues were reiterated:

- Two respondents (15 Parties) suggested that the legal text be amended to incorporate certain technical details about the chosen implementation option. Currently, ELEXON is already under a legal obligation to publish LLF data on the BSC Website. On 10 April 2003, the Panel endorsed the VASMG view that the technical details of the chosen implementation option should be formalised in the relevant BSCPs rather than in the BSC. P116 explicitly seeks to amend BSCP 528 – “SVA Line Loss Factors For Half Hourly and Non-Half-Hourly Metering Systems Registered in SMRS”. The Assessment Report (Reference 1) notes that P116 would also impact BSCP 503 – “Half Hourly Data Aggregation for SVA Metering Systems registered in SMRS” and BSCP 508 – “Supplier Volume Allocation Agent”.
- Two of respondents (10 Parties) reiterated their views that it would be desirable to publish Scottish LLFs on the BSC Website in preparation for the new British Electricity Trading and Transmission Arrangements (BETTA).
- One respondent (9 Parties) stated that there is a need to ensure that benefits to PDSOs get passed on to other market participants to offset the costs of implementing P116. This respondent also believed that P116 was addressing a low priority issue. The respondent believed that there was no need to implement P116 before 26 Feb 2004.
- A number of respondents asked questions relating to the administration of the BSC Website and the use of circulars to alert Parties about changes in LLF data. These issues will be addressed during the implementation of P116, should the Proposed Modification be approved by the Authority. (During the Assessment Procedure, the VASMG suggested that ELEXON Circulars be used for alerting participants about changes in LLF data.)
- A number of Parties made comments about the file format currently being used for the summarised version of LLF data. This issue is not directly related to P116 and should be progressed outside of the Modifications Procedure.

### 9.3 Panel Discussion of Representations

At the Panel meeting of 8 May 2003, the arguments raised in the consultation responses were presented. *[to be completed following Panel discussion.]*

## ANNEX 1 REPRESENTATIONS

### A1.1 Summary of Representations

The draft Modification Report was sent out for consultation on 17 April 2003 allowing 5 working days for Parties to respond to the consultation. The table below gives a summary of the responses followed by the actual responses received.

	Responses	BSC Parties	Non BSC Parties
Support recommendations	7	37	1
Do not support recommendations	0	0	0
No Comment	0	0	0
Total	7	37	1

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	IMServ	P116_DR_001	0	1
2.	YEDL/NEDL	P116_DR_002	2	0
3.	Scottish Power	P116_DR_003	6	0
4.	Aquila Networks	P116_DR_004	1	0
5.	Scottish and Southern	P116_DR_005	4	0
6.	Powergen	P116_DR_006	15	0
7.	Npower	P116_DR_007	9	0

## A1.2 Detailed Responses

### P116\_DR\_001 – IMServ

<b>Respondent:</b>	<i>Name Tom Cook</i>
<b>No. of BSC Parties Represented</b>	Nil
<b>BSC Parties Represented</b>	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>No. of Non BSC Parties Represented</b>	One
<b>Non BSC Parties represented</b>	<i>IMServ</i>
<b>Role of Respondent</b>	<i>Party Agent</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1	Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made? Please give rationale.	Yes	Our preference was Option 3, but Option 2 is workable.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116? Please give rationale.	Yes	As no changes required date is not critical.
4	Are there any further comments on P116 that you wish to make?	No	

**P116\_DR\_002 – YEDL/NEDL**

<b>Respondent:</b>	<i>Name Ann Penford</i>
<b>No. of BSC Parties Represented</b>	2
<b>BSC Parties Represented</b>	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant). YEDL and NEDL</i>
<b>No. of Non BSC Parties Represented</b>	
<b>Non BSC Parties represented</b>	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>Role of Respondent</b>	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state) Distribution companies</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1	Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made? Please give rationale.	Yes	NEDL and YEDL will have cost saving benefits for the implementation of any of the options.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116? Please give rationale.	Yes	
4	Are there any further comments on P116 that you wish to make?	No	

## P116\_DR\_003 – Scottish Power

<b>Respondent:</b>	Name <i>John W Russell (SAIC Ltd)</i>
<b>No. of BSC Parties Represented</b>	6
<b>BSC Parties Represented</b>	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant). Scottish Power UK plc; ScottishPower Energy Trading Ltd.; ScottishPower Generation Ltd.; ScottishPower Energy Retail Ltd.; SP Transmission Ltd.; SP Manweb plc.</i>
<b>No. of Non BSC Parties Represented</b>	
<b>Non BSC Parties represented</b>	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>Role of Respondent</b>	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state) Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent</i>

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made? Please give rationale.	Yes	<i>We agree with VASMG and the Panel, that the proposed changes would better facilitate Objective (d), as the process would be more manageable as it is more efficient to download all LLFs data from a single source i.e. the ELEXON Website.</i>
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	No	<i>We agree that the majority of the legal text appears to be appropriate; however we would wish that the chosen implementation option 2 be specified in the text (suitable wording added to Section V 4.5.1 Line Loss Factors) to clearly state that the LLFs will be published in more than one format.</i>
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116? Please give rationale.	Yes	<i>We agree that the implementation date appears to be appropriate.</i>
4	Are there any further comments on P116 that you wish to make?	Yes	<i>LLFs need to be published on the website in a timely manner, to ensure they are not too late for use in Settlements calculations.  It would be desirable to have Scottish LLFs available on the ELEXON website in the same arrangement as a precursor to a GB wide LLFs data source under BETTA.</i>

## P116\_DR\_004 – Aquila Networks

<b>Respondent:</b>	Rachael Gardener
<b>No. of BSC Parties Represented</b>	
<b>BSC Parties Represented</b>	Aquila Networks Plc
<b>No. of Non BSC Parties Represented</b>	
<b>Non BSC Parties represented</b>	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>Role of Respondent</b>	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i>

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made? Please give rationale.	Yes	Our view was that the cost savings will be small, but it will improve accuracy of data, because the DNO will only generate one file which will be checked by the BSCCo before it is used by HHDA's and Suppliers, rather than creating multiple files which have not been checked and could contain errors.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116? Please give rationale.	Yes	The Implementation Date needs to be before the annual update next spring.
4	Are there any further comments on P116 that you wish to make?	Yes	How would Aquila Networks Plc be informed that the LLF's have been posted and if they are changed during the year to new versions? If notified would this be in some form of circular or MDD release note? <sup>3</sup>

<sup>3</sup> ELEXON Note: The Assessment Report for Modification Proposal P116 (Reference 1) suggested that ELEXON Circulars be used for this purpose. Should the Proposed Modification be approved by the Authority, the details would be further clarified during the implementation phase.

**P116\_DR\_005 – Scottish and Southern**

Dear Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

In relation to the four questions listed in the Consultation Paper, contained within your note of 17th April 2003 concerning Modification Proposals P116, we have the following comments to make:-

Q1 Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made?

Subject to the needs for BETTA being taken into account, we believe that Modification Proposal P116 would better facilitate the applicable BSC Objectives and therefore agree with the draft recommendation that Modification Proposal P116 should be made.

Q2 Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal?

Q3 Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116?

If the Modification Proposal P116 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in Section 1.1 of the Modification Report.

Q4 Are there any further comments on P116 that you wish to make?

We re-iterate our previous comments concerning a number of technical issues<sup>4</sup> associated with proceeding with this Modification Proposal P116. Furthermore, given the approval by the Authority of P108, it would be desirable to have Scottish LLFs available on the ELEXON website in the same 'Summarised' .csv file format as a precursor to a GB wide LLFs data source under BETTA.

Regards

Garth Graham  
Scottish and Southern Energy

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<sup>4</sup> ELEXON Note: These technical issues concerned the size of the unzipped D0265 files, the file format for summarised LLF data and the robustness of the BSC Website. The VASMG determined that the first two of these issues are outside of the Modification Procedure for P116 and should be progressed separately. The VASMG also noted that the robustness of the BSC Website has already been improved and that further steps are being taken as part of a Systems Migration Project. As the files on the BSC Website are small, the increase in data download rates was not considered a significant issue.

## P116\_DR\_006 – Powergen

<b>Respondent:</b>	Afroze Miah
<b>No. of BSC Parties Represented</b>	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy Limited
<b>BSC Parties Represented</b>	15
<b>Role of Respondent</b>	Supplier

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made? Please give rationale.	Yes	We would support either Option 2 or Option 3. We want to see both UFF & PFF supported. This would prevent the onus being placed on parties to change their loading routines at additional costs. Whilst this flow D0265 is unique and warrants special consideration due to the costs, we need to be sure we are not moving away from the robust concept of the DTN, controlled by a DTC.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116? Please give rationale.	Yes	
4	Are there any further comments on P116 that you wish to make?	Yes	How do you intend to control release of the flows to the website? When will they be made available? How do structural faults in the flow get reported? Will it be via the Elexon Helpdesk? <sup>5</sup> Whilst we agree that the DBs are lacklustre in the way in which they make the data available and the way they send them, what incentives are Elexon going to place upon the DBs to make the information available to the website? <sup>6</sup>

<sup>5</sup> ELEXON Note: It is expected that the ELEXON Helpdesk would deal with any fault reports that could arise.

<sup>6</sup> ELEXON Note: Currently, LLF data need to be approved by SVG before being used in Settlement. P116 does not seek to alter this process.

## P116\_DR\_007 – Npower

<b>Respondent:</b>	<i>Richard Harrison, Npower Limited</i>
<b>No. of BSC Parties Represented</b>	9
<b>BSC Parties Represented</b>	Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited
<b>No. of Non BSC Parties Represented</b>	N/A
<b>Non BSC Parties represented</b>	N/A
<b>Role of Respondent</b>	<i>Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1	Do you agree with the Panel's views on P116 and the provisional recommendation to the Authority contained in the draft Modification Report that P116 should be made? Please give rationale.	Yes	We agree that this potentially improves the efficiency of the process. However, we feel that this is probably lower priority than other industry changes being progressed currently, which relate to market performance.
2	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Qualified Yes	The drafting for the new table in Annex V-1 is dependent on the format and segmentation of the files/data being specified elsewhere.
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P116? Please give rationale.	No	It might be better to implement this for April 2004, to coincide with the publication of new LLFs by most Distributors (the 26 Feb 2004 date would probably satisfy this)
4	Are there any further comments on P116 that you wish to make?	Yes	The process for notifying updates needs to be clarified, to ensure that it is robust. Also, since the benefits mostly accrue (in the 1 <sup>st</sup> instance) to DBs, who are essentially monopolies, there is a need to ensure that these are passed through to Suppliers and HHDA's to offset the costs of implementing the change.